

CITY OF HIGH POINT

AGENDA ITEM



TITLE: E Source Amendment of Contract	
FROM: Jeremy Coble – Customer Service Director	MEETING DATE: 3/4/24
PUBLIC HEARING: n/a	ADVERTISED DATE/BY: n/a
ATTACHMENTS: Amendment 3 - Extension of Contract	

PURPOSE: Amend the E Source contract to utilize their knowledge and proficiency in supporting the implementation of the Advanced Metering Infrastructure (AMI) project for the City of High Point.

BACKGROUND: On March 21, 2022, the City Council approved a contract with E Source for AMI consulting services. The current E Source contract totals \$1,347,553.00, with \$290,398.00 in unused hours. The requested additional amount of \$570,444.15 would bring the total contract to \$1,917,997.55.

The additional funding to E Source provides multiple advantages to our organization. Firstly, it ensures the seamless progression of the AMI implementation, safeguarding significant investments in infrastructure and technology. Secondly, E Source's expertise ensures ongoing support and innovation, positioning us at the forefront of utility sector advancements.

This partnership is poised to enhance customer satisfaction through the capabilities of the AMI system, offering more accurate billing, expedited issue resolution, and improved communication with our customers. Our collaboration with E Source remains integral to our commitment to providing our community with reliable, efficient, and technologically advanced utility services.

BUDGET IMPACT: Funding is available in the Electric Capital Projects Fund.

RECOMMENDATION/ACTION REQUESTED: Staff recommends amending the E Source contract to continue providing consulting services for the amount of \$570,144.00.





Proposal to:

City of High Point, North Carolina

February 8, 2024

Amendment 3 – Extension of Contract to Provide AMI Implementation Professional Services



Technology Planning & Implementation

3020 Carbon Pl., Ste 300 | Boulder, Colorado 80301

www.esource.com | SalesSupport@esource.com

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February 8, 2024

Mr. Jeremy Coble
Customer Service Director
City of High Point
211 South Hamilton Street
High Point, NC 27261
via email to Jeremy.Coble@highpointnc.gov

Re: E Source Proposal to Extend Contract to Provide Continued AMI Implementation Professional Services

Dear Mr. Coble:

E Source Companies, LLC (E Source), the leading solver of challenges facing water, electric, and gas utilities and municipalities, is pleased to provide our proposal to the City of High Point ("City" or "High Point") for an amendment to extend our existing Advanced Metering Infrastructure (AMI) support contract through the planned completion of the project.

We appreciate the opportunity to submit our proposal and thank you in advance for your consideration of our capabilities. Should you have any questions or require additional information, please feel free to contact Joel Westvold at 503-944-9434/email at joel_westvold@esource.com or me at 615-375-6396/email at kody_salem@esource.com. We look forward to hearing from you in the coming weeks.

Sincerely,



Kody Salem, Sr. Vice President, Business Development,
E Source TPI Division

Project Team

E Source's mission is to provide the right team of focused experts on each project we pursue—highly skilled senior consultants, comprised of experts in their fields who understand the unique drivers, responsibilities, and needs of our clients. To best deliver the scope of services presented herein, we will continue to provide a team of consulting experts with directly relevant experience needed for project success as shown in Figure 1.

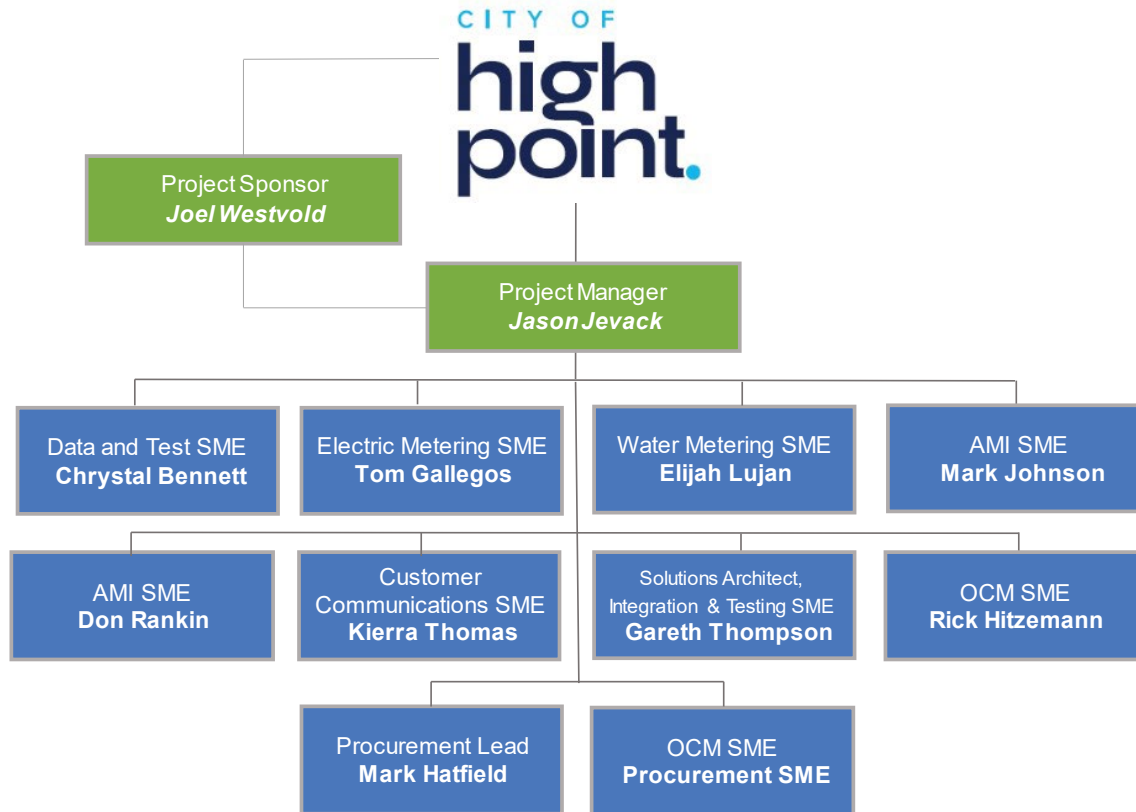


Figure 1. Project Organization

Scope of Work

Task Numbers are a continuation from the current contract and previous proposals with updates provided as to the specific work that will be performed going forward with this contract extension.

Task 2: Project Management

One of the primary factors that distinguish successful AMI projects is the quality of the overall project management. In the E Source model, based on the Project Management Institute's (PMI's) PMBOK® and Agile methodologies, our PM works very closely with the City project manager and uses proven process, methodologies, and templates to produce a robust, flexible implementation approach. Throughout the implementation phase of the project, we maintain and monitor the "iron triangle" dimensions of cost, quality, and schedule. We have found most vendors do not have sufficient PM availability and/or capabilities, and we are very experienced in helping a combined vendor and the City team execute successfully to the project baseline.

In the implementation phase, the E Source PM will be responsible for supporting the activities listed in Table 1. Our PM will manage the monthly project status cycle for the City, which include measurement of progress towards the plan, performance status, risk management, items of concern, and open action items. These items will be managed regularly and will be consistently tracked.

Table 1. E Source Project Management Activities

PM Activity	Description
Scope Management	Ensure that the project plans outline all of the work required to complete the project successfully. Scope management at this point in the project consists of scope verification and scope change control.
Change Management	Ensure that a formal change control process is implemented to control changes to the baseline project plan throughout the project implementation.
Integration Management	Ensure that the various elements of the project are properly coordinated. Integration management at this point in the project consists of project plan execution and overall change control.
Cost Management	Ensure that the project is completed within the approved budget. Cost management consists of resource planning, cost estimating, cost budgeting, and cost control.
Procurement Support	Acquire goods and services from outside the performing organization. Procurement support at this stage of the project consists of contract administration and contract closeout.
Quality Management	Ensure that the project will satisfy the needs for which it was undertaken. Quality management consists of quality planning, quality assurance, quality control, and configuration management.
Reporting Management	Ensure timely and appropriate generation, collection, distribution, and storage of project information. The project manager also handles reporting and status information management consists of communications planning, information distribution, performance reporting, and administrative closure.
Time Management	Ensure the timely completion of the project. Time management at this point of the project consists of schedule control.
Resource Management	Ensure that qualified resources are available to perform each task defined in this SOW in accordance with the baseline project schedule. As necessary, the project manager ensures that resources have been provided with training to establish particular expertise required to perform tasks within the SOW. The project manager reinforces the importance of establishing and maintaining professional working relationships among the City and vendor team members, as well as monitors these relationships.
Risk Management	Identify and analyze project risks and respond to those risks. The E Source approach to risk management has three components—identification, prioritization, and management. Risks are identified throughout the project and categorized based on probability and impact. The risk management plan is continuously re-evaluated during the project implementation. Once a risk actually occurs, it is moved to the issue tracking process.

DELIVERABLES

- Periodic Status Reports and Invoices
- Biweekly or periodic meetings with the City's Project Team by phone or video conference
- Periodic updates for executive management and applicable governing board stakeholders
- Meeting Agendas and Minutes, including those for Steering Committee meetings
- Updated AMI Implementation Schedule
- End of Project Close Out/Summary Report
- SharePoint management of project documentation

Task 3: Project Execution

In addition to our project management activities stated in Task 2, E Source has vast experience managing the myriad of vendors needed to successfully implement an AMI project. We will organize ongoing status meetings with vendors to assure they are on track and meeting schedule and budget expectations, we will conduct any specific vendor due diligence the City may desire, such as:

- Provide AMI vendor management support including serving as the primary liaison between the vendor(s) and project teams, managing the statement of work, advising the City on vendor deliverables and performance, managing change orders, and other appropriate actions.
- Monitor City contracted third-party installers and other parties' compliance as the City's representative during solution installation, start-up, and execution to manage risks, ensure quality assurance and controls, and successful completion of milestones, deliverables, project and operational goals.
- Develop, maintain, and monitor the overarching field deployment strategy and plan to include field verifications and QA/QC. This includes oversight of meter installs.
- Lead project management activities supporting project execution, including the dissemination of status reports for executive staff and other audiences, maintenance and sharing of project schedule decisions, changes, issues, and risks, and supporting plans.
- Facilitate User Acceptance and testing activities, including developing test plan(s) to include unit, integrated solution test and user acceptance testing; document test scenarios and develop supporting test execution scripts, conduct requirements traceability, and monitor test execution.
- Review and audit AMI vendor test plans to ensure methodology, test procedures, and execution effectively validate solution functionality and requirements.
- Track, document, maintain and manage issues, defects, and errors during project implementation.
- Proactively scan, track, document, recommend and coordinate the remediation of risks.
- Develop the overall training plan strategy including employee and citizen education/ public awareness. Training plan shall include stakeholder training needs analysis, objectives/competencies to be addressed, approach, curriculum, and facilities/ equipment requirements.
- Develop, facilitate, manage, and monitor cutover and readiness plans.
- Working with the AMI vendor to ensure that the meter configurations are identified and understood.
- Overseeing the vendor patch and upgrade process ensure the proper requirements, design, and development activities are followed, and that software/firmware release plans do not negatively impact the system acceptance testing or ongoing utility operations.
- Overseeing the vendor software design and development activities with our proven software engineering methodology.

- Holding design reviews at the appropriate times to ensure vendors are properly interpreting the requirements.
- Providing system engineering oversight and activities needed to ensure that the vendor solutions are properly designed, developed, and unit tested prior to integration with the rest of the enterprise. A requirements update is necessary because despite the thoroughness of vendor RFP requirements, the vendors selected will most likely have additional constraints, limitations, unique strengths, and tradeoffs that need to be captured.
- Working with the City and the selected vendors to ensure that the project architectural, functional, performance, and integration specifications form the proper technical baseline for execution of the project. While most vendors have the basics for specifying their solution, we have found that there are inevitably gaps that need to be addressed, particularly at the integrated system level.
- Managing the baseline throughout the project testing and implementation via our Requirements Management process using tools such as our Requirements Traceability Matrix (RTM). Complete traceability is ensured so that a system level requirement can be followed through its breakdown into smaller requirements, into design elements and modules, and ultimately to the particular test case to verify the vendor successfully met the requirement.

Task 4: Performance Management

E Source will establish a comprehensive performance management and quality assurance model that reduces the City's risk by ensuring project, operational, and business results are achieved and sustained.

Table 2. Requested Performance Management Activity

	Requested Performance Management Activity	Accomplished by
1	Project health: identify and carry out performance and project quality control measures to ensure project deliverables are successfully met, including achieving business objectives, and optimizing quality delivery through effective management of the project's schedule, cost, and scope.	Task 2: Project Management
2	Contractor performance (including third-party installers, AMI contractors and other appropriate parties): monitor contractor deliverables, communications, technical planning and solution development, configuration, integrations (i.e., including City applications such as CIS, billing, and outage management), testing, work, activities, and overall performance.	Task 3: Project Execution
3	Solution and technology performance: ensure hardware and software architecture, platform, integration, design, configuration, functionality, expandability, and performance meet City business objectives and improve operations.	Task 4: Performance Management

A graduated, thorough, and robust test program is needed for an AMI project, and E Source has implemented hundreds of successful integrated technology testing programs for our clients that trust that both our processes and the experience of our people.

E Source typically develops an overall test strategy to provide high-level guidance for the execution of the project test program that summarizes the test goals and objectives, as well as all known constraints

(time, budget, resources, etc.), aligns all parties on testing phases and activities, and verifies the coordination mechanisms and timing with infrastructure and other system implementation activities. We also identify the necessary infrastructure, technology, communications, and IT requirements to execute the plan. In addition, the overall test strategy defines the approach to be used for testing cyber security for the project. We will develop the strategy via interactive workshops with the project team, the selected project vendors, and applicable business support groups. We will facilitate the workshops and provide the overall test strategy document.

Our test approach minimizes the City's risk by providing early validation of the technologies in steps, so that any problems are identified early and corrected. All discovered defects are formally logged, managed, and resolved as appropriate until acceptance is achieved. We will produce test plans and procedures that exercise the functionality of systems that must interface to meet business, technical, functional, integration, performance, and any other specified requirements. A Test Report is generated after each test phase is completed.

Should issues be identified during the testing process, we are ready and able to work with applicable vendors and development teams to resolve those issues. The clear documentation of the relationship between the requirement and test case included within the Requirements Traceability Matrix (RTM) makes it easier to pinpoint the problem that needs to be addressed. Once identified, we follow a rigorous corrective action process that ensures the problem is documented, root-cause determined, corrective and preventive actions are taken, and retesting is performed to verify that the problem has been corrected.

Our typical approach to a test strategy incorporates the following elements:

- **Factory or Off-Site Testing** – Vendor-performed tests that verify functionality of the system and components per specifications and may involve standard integration checks with other systems.
- **Initial Bench Testing** – Utility-led testing on a cross section of meter types, forms, and sizes on a test bench (if available) or with a small quantity of field meters to confirm initial provisioning of the meters, register read accuracy, interval read accuracy, read resolution, meter configuration, alert functionality, AMI system two-way communications, base head-end system reporting, exporting to upstream systems, and other acceptance criteria as outlined in the Test Plan. This testing phase is critical to ensure that the data produced by the meters and communicated by the collectors is accurate.
- **System Integration Testing** – All applicable systems brought together in testing to verify data sets are received and transformed properly, that data from a single Source is properly routed to multiple destinations and that individual systems still perform as expected while integrated. This testing may also involve performance and security testing and is normally conducted within a QA/test environment.
- **User Acceptance/Business Process Testing** – Verification that the correct information flows through for a particular business process, including both mechanized and manual business processes. It is the final gate and ensures that the system functions and is aligned with requirements and processes that are used operationally. In this testing, a single trigger can initiate data transfers between multiple Source and destination systems. It is the most comprehensive test of the complete set of business processes and maximizes to the extent possible the real-world use of the utility's integrated systems. Test cases are executed by utility

staff who use the systems on a daily basis. This testing may also involve performance and security testing and is normally conducted within a QA/Test environment.

- **Field Acceptance Testing** – Verification that the technical, functional, performance, and commercial specifications of the vendor Statement of Work (SOW) have been realized as expected for a subset of endpoints strategically deployed within the utility’s service territory, referred to as the Initial Deployment Area (IDA). This strategic deployment should consider different topography and all different types of meters and endpoints.

Our overall testing strategy is illustrated in Figure 2 and incorporates optional Web Portal and Meter Data Management System (MDMS) components that may be installed in parallel with the AMI system.

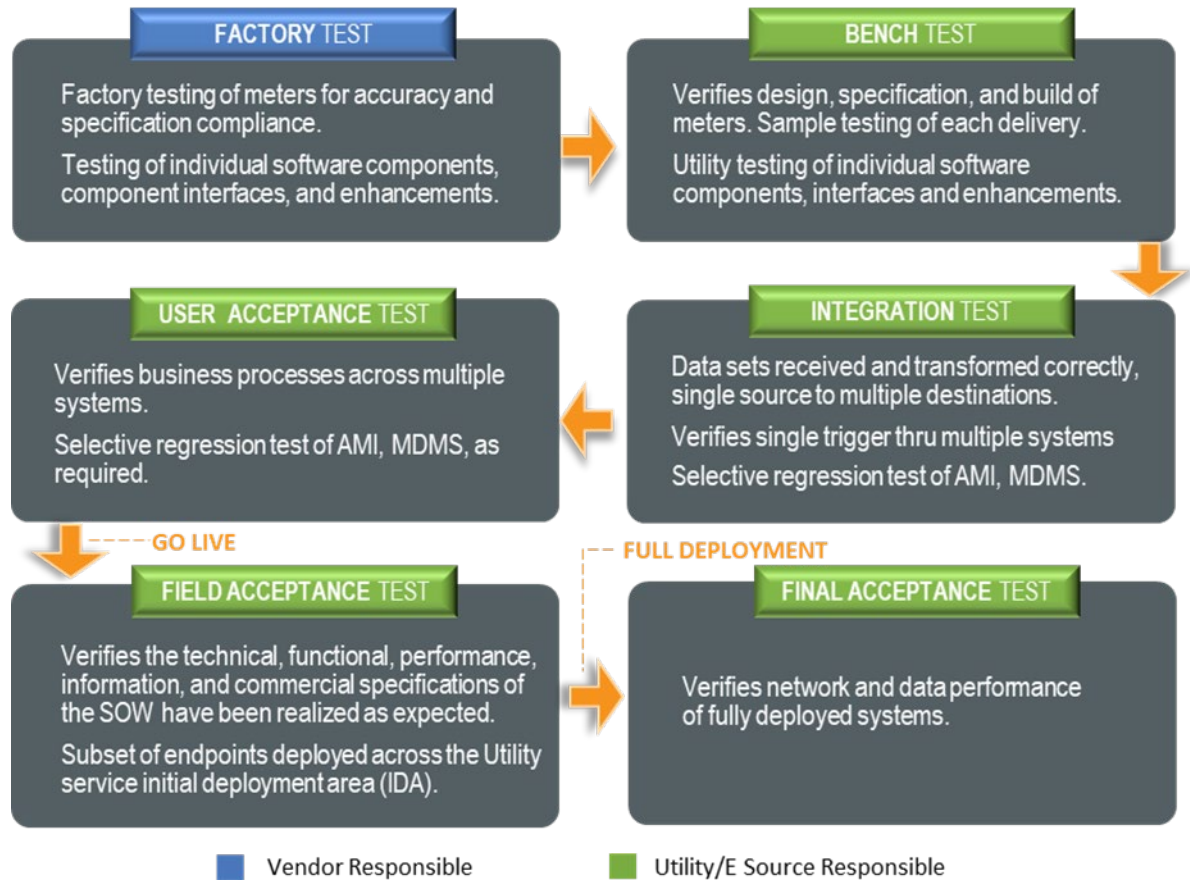


Figure 2 Overall Testing Approach Example

DELIVERABLES

- AMI Test Strategy Document
- Test plans for all the City-owned tests
- Field Test Progress Reports and results interpretation
- Reviewed test plans, procedures, results documentation
- End-to-End Testing Procedures, Results, and Recommendations
- UAT Procedures, Results, and Recommendations
- Final Requirements Traceability Matrix

Task 5: Technical Service Delivery

Through our years of AMI implementation experience, E Source provides deep technical and management expertise for the City and vendors to identify and resolve technical issues during the life of an AMI program.

E Source project management and delivery services include the following:

- Provide technical subject matter expertise to plan, evaluate, monitor, troubleshoot technical planning, implementation, issue resolution and user acceptance.
- Review issues, errors, defects, and other challenges, monitor response and remediation for all appropriate parties (vendors, City staff, City management), recommend remediation/ fixes, and apply remediation/ fixes in coordination and as agreed upon between the AMI vendor(s), City staff, and City management.

Task 6: Organizational Change Management and Communication

Subtask 6.1: Organizational Change Management

E Source does not believe in a “one-size fits all” or a prescriptive approach, we see OCM as a highly collaborative effort in which we employ our methodology as a basis for continued change management employed by the City. The E Source OCM methodology provides an approach that will guide the project team through a common methodology that integrates Kotter, Prosci, agile, design thinking and best practices. Our approach supports the following core change strategy principles: this change must feel different, simplicity over complexity, easy to use templates & tools, we are creating this change together and we are fast, iterative, and integrated.

The E Source OCM methodology as shown in Figure 3, is laid out in six (6) phases flowing through the three (3) states of change and circling around “the change advantage” which is the opportunity at hand, so in the City’s case, this is your AMI implementation project.

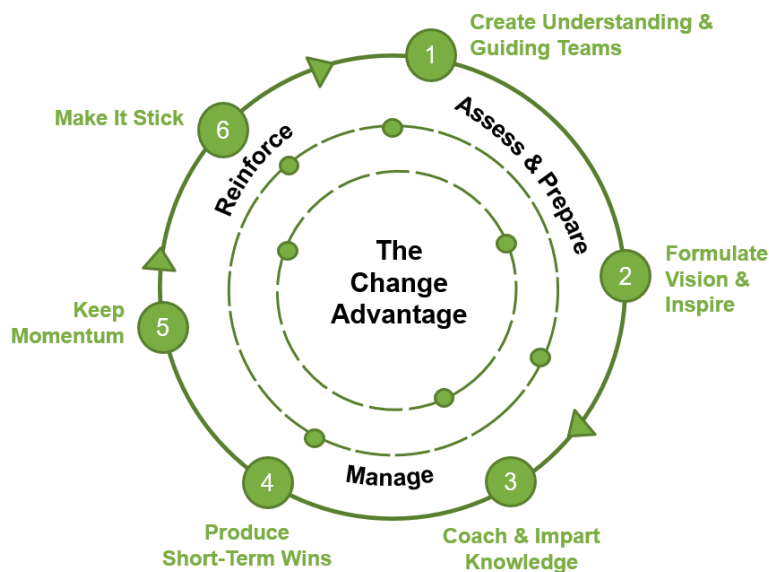


Figure 3. The E Source Change Advantage

Manage the Change

This stage is all about managing the change by motivating action by the team and producing visible wins to assist in building support. E Source focuses on leveraging behaviors that drive results to get everyone involved at the right levels.

Generating & Prioritizing Wins Workshop

This stage is about generating short-term wins to create an ongoing flow of strategically relevant wins both big and small. Short-term wins provide the project team with credibility to the new way of doing things. Therefore, E Source will host a Generating Wins Workshop in which the project team will plan for visible improvements in performance, prioritize those wins, make a plan to achieve them and embed them into the project plan. This will be highly collaborative process that will help the team gain more buy-in from the stakeholder involved, sponsorship and move full force. The deliverables underlying this phase are below and they are based on the size of the utility.

DELIVERABLES

- Short-Term Win Plan

Reinforce the Change

This stage will define change network feedback mechanisms and assessment of OCM program results. Based on real performance and needs identified, E Source can advise on how to design and implement corrective actions, align performance, and celebrate successes. In this stage the change E Source will engage all six sources of influence that are shaping behaviors to get them working for the project team instead of against them.

Points of Intervention Workshop

In order to make change last, new behaviors need to become a part of the formal and informal systems, practices, and habits that form the organization's culture. Leaders must reinforce employees staying with the change. This is why E Source hosts a Points of Intervention Workshop to ensure that new behaviors are repeated even after the project team disassembles. In this session E Source will teach the team where targeted action can effectively open a system and clear the way for the change to stick.

DELIVERABLES

- Resistance Management Plan

ASSUMPTIONS

- The City will help create a sense of urgency throughout the City and make OCM a priority
- The City will have a dedicated OCM support team and a Communications lead with whom E Source will coordinate with to assist in executing the OCM plan

Subtask 6.2: Customer Marketing / Communication Plan

Of the many lessons learned in AMI projects, one of the most important is how critical it is to plan, manage, and engage stakeholders to build understanding and align expectations. Both internal and external stakeholders need to be engaged to address the needs of the community and support successful project implementation. Working with staff, our team will use the assessment we performed and continue to develop engagement strategies leveraging—and perhaps expanding—those methods.

The goal of stakeholder engagement is to effectively inform and engage the supporters while minimizing the impact of resistors, by offering factual responses to concerns and options to meet their

needs. For example, there are four known topics of concern that must be addressed in AMI projects: (1) price/rates; (2) privacy and data security; (3) health; (4) safety. Although public resistance to AMI projects has diminished over the last few years, recent experiences indicate that utilities must be prepared to address these issues. On the flip side, engaging those customers who are interested or even enthusiastic about the possibilities of new technology can build momentum for the entire effort.

E Source will continue to support the City in developing a clear plan for customer engagement activities that leverages existing the City practices and addresses tactical implementation. E Source continued activities will include the following:

- Conduct a discovery workshop to outline program goals, objectives, key messages, and strategy for stakeholder engagement.
- Support the development of the overall project branding.
- Identify requirements (i.e., content, methodology, timing) for informing electric customers and other stakeholders (i.e., Senior Management, Council, etc.) about the project before, during and after the transition to AMI technology.
- Identify topics that will be covered with stakeholder engagement and the communication channels that will be leveraged for both internal and external customers. Topics may include AMI project benefits and information sharing and transitional changes for the organization.
- Discuss concerns/issues that have been raised by the public on other AMI projects and manage customer expectations. E Source will provide educational materials to address common topics of concern with AMI technology and its impacts.
- Define and measure communication metrics to track the success of the program (e.g., customer contacts, media attention, web analytics).
- Develop a comprehensive stakeholder engagement plan and a tactical action plan considering timing of activities relative to project phasing and schedule.
- Work with the City to develop the content for a variety of customer-facing materials including:
 - Customer letter
 - Postcard
 - Door hanger
 - Press release
 - Webpage
 - Frequently asked questions
 - Brochure

ASSUMPTIONS

- E Source will assist in the development of content.
- the City will employ a graphic designer to assist with visual layouts and design.
- The printing, shipment, and dissemination of materials will be handled by the City.

DELIVERABLES

- Tactical Action Plan (*.mpp)
- Host up to two (2) internal stakeholder education sessions
- Content for internal and external stakeholder communications
- Communication metrics report

Task 9: Meter Installation Vendor Contract Negotiations

Our vast vendor experience and knowledge of what similar utilities have spent and negotiated for products and services enables us to negotiate the best pricing for our clients. We will apply this experience and knowledge to negotiation of an MIV contract.

E Source will serve as technical advisor to High Point through contract and scope of work negotiations with the selected vendors, including service level agreements (SLAs), performance criteria, warranties, scheduling, and pricing. E Source personnel have negotiated contracts for dozens of clients and will use lessons learned to avoid pitfalls and leverage experience gained from actual implementations on how contract terms can assure successful implementations and protect our clients' interests. E Source will provide guidance to your project team in strategizing for contract negotiations and participate in key contract negotiation meetings and contract reviews.

Since the RFP and vendors' responses are detailed, contract negotiations for MIV AMI implementation typically focus on installation protocols, performance requirements, QA/QC oversight, and defect identification and corrective actions.

With adequate pre-negotiation planning and concentrated effort, all contract negotiations can be concluded efficiently, although review and approval will likely take additional time. During this interval, the detailed project procedures can be finalized, and implementation preparation can commence.

E Source will review the final contract and ensure adherence with all previously developed criteria, requirements, and processes. We will also assist High Point staff in preparing presentations to management, including use case studies and other experience to help explain decisions and rationale. As part of this task, E Source will share lessons-learned in other similar negotiations and work diligently to develop a vendor contract that will achieve the desired outcomes.

ASSUMPTIONS

- High Point will be responsible for all terms and conditions outlined in the final agreement with the MIV vendor.
 - E Source will provide input on terms and conditions but will not provide legal review or opinion.
- The fee for this task assumes that the vendor contract negotiations task will not exceed the estimated level of effort assumed for the task of 120 hours. If the level of effort does 120 hours, E Source will work with High Point to develop a change order to supplement the level of effort.

DELIVERABLES

- Customized system/solution acceptance criteria for inclusion in the vendor contract
- Vendor scope of work with firm pricing
- Presentation to management or governing body (1 trip/1 day allowance)

Fee

The proposed fee to implement this contract amendment is **\$570,444**. It was calculated based on our previous work on this project, our experience with several similar projects, and our interpretation of the level of effort desired by High Point. The hourly rates have also been increased an average of 9.75% to update them from the original rates provided in 2022. E Source can adjust the scope of work to provide more or less support to match the needs of the City. A breakdown of the fee by task is included in the Table 3 below.

Table 3. Breakdown of Fee by Task

Task Name	Contract Value (includes MDMS, MIV RFP, & CO 1)	Total to be Billed Thru March 2024	CO 2 Total to Complete Project
Subtask 1.1 Infrastructure Deployment Plan	\$103,306	\$99,631	\$(3,674)
Subtask 1.2 Biz Process Optimization	\$107,362	\$103,894	\$(3,468)
Subtask 1.3 Benefits Tracking Strategy	\$13,901	\$13,902	\$-
Subtask 1.4 AMI Admin Team Development	\$32,033	\$32,033	\$-
Task 2 Project Management	\$325,908	\$284,306	\$247,456
Task 3 Project Execution	\$373,994	\$230,841	\$253,862
Task 4 Performance Management	\$75,204	\$28,682	\$15,600
Task 5 Technical Service Delivery	\$43,542	\$44,484	\$11,002
Subtask 6.1 Organizational Change Management	\$77,553	\$77,307	\$9,348
Subtask 6.2 Cust Mktg & Comms Plan	\$37,595	\$28,905	\$15,431
Task 7 MDMS Vendor Contract Negotiations	\$28,383	\$27,630	\$(753)
Task 8.1 MIV RFP Requirements and Procurement Strategy	\$9,444	\$9,444	\$-
Task 8.2 MIV RFP Draft	\$15,300	\$15,300	\$-
Task 8.3 MIV RFP Administration	\$10,200	\$10,200	\$-
Task 8.4 MIV RFP Response Evaluation Support	\$44,508	\$44,508	\$-
Task 9 MIV Vendor Contract Negotiations	\$31,320	\$-	\$3,054
Travel	\$18,000	\$6,087	\$22,587
TOTAL	\$1,347,553	1,057,155	\$570,444